Other Contract Provisions

A Federal crop-insurance contract covers your interest in all insurable flax acreage in the county in which you have an interest at the time of seeding.

If your flax crop is destroyed while there is still time to reseed and it is a customary practice in the area to reseed, you are expected to do so. If this acreage is not reseeded, it will not be insured.

Insured acreage destroyed or substantially destroyed may be released by the Corporation for other use, BUT no acreage may be put to another use until a release in writing is obtained from the Corporation.

An assignment against the insurance contract may be made as collateral for a loan.

Partial protection may be obtained which differs from the full protection only in the reduction of the premium and any indemnity to 65 percent of what they would be with full protection.

What You Do

File an application before the closing date.

After you have completed seeding, make a report of the acreage seeded to flax and your interest in the crop at the time of seeding.

Seed, care for, and harvest the crop in accordance with good farming practices.

Report immediately to the county office any damage to the crop if you believe that a loss under the insurance contract may result. Any loss under the contract *must be reported* within 15 days after harvest.

Pay your premium promptly. It comes due about harvesttime, but you may pay it earlier.

DON'T INSURE TO COLLECT
INSURE TO PROTECT

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Federal Crop Insurance on FLAX (Yield Insurance)

The Federal Crop Insurance Corporation offers in designated counties insurance against loss in yield of flax resulting from unavoidable hazards which damage or destroy a flax crop such as:

Plant Disease
Insect Infestation

Drought	Hail
Wind	Fire
Frost	Snow
Flood	Rain

It does not cover losses arising from avoidable causes such as neglect, poor farming practices, or failure to reseed where it is practical to do so.

A Federal crop-insurance premium buys protection of the investment in a crop against the many production risks, from seeding through harvest.

It adds but a small amount to operating costs to insure against the many production hazards over which man has no control. Crop insurance premiums are deductible as operating costs for income-tax purposes.

U. S. DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
PA—40

Flax Crop Insurance

Under present legislation Federal crop-insurance protection on flax can be offered in only 50 counties.

Only flax on land for which the Federal Crop Insurance Corporation establishes a coverage and rate can be insured, so some producers in these counties will not be able to obtain this protection.

Crop-insurance premiums are used *only* to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. Premiums collected in excess of losses paid can be used only to accumulate a reserve for use in years when losses exceed premiums. The accumulation of adequate reserves will make possible reductions in premium rates.

Losses paid to farmers under the program are, of course, the major factor in determining adjustments in premium rates. Consequently, it is in the best interest of the majority of producers that only sound risks be insured under the program. For the same reason, it is in the interest of the majority of producers that loss adjustments be made fairly and properly. Lax adjustments or insuring bad risks would be improper use of farmers' premiums.

Crop insurance is a farmers' program—each insured pays a small amount for protection against unavoidable production risks so that none among them will suffer a disastrous loss.

Full information on the coverage and premium rate for each insurance unit in your operation is available through the county office.

Coverage Per Acre

Coverages and premium rates—expressed in bushels of flax per acre—are established by the Federal Crop Insurance Corporation for all insurable acreage in the county.

The maximum protection is on harvested acreage because full production costs have been incurred. Protection on unharvested acreage is adjusted to reflect lower production costs, including land use.

If acreage is released for a substitute crop a minimum charge of 50 percent of the coverage per acre is made against the total coverage for the acreage released. The minimum charge against the coverage on acreage released for summer fallow is 20 percent of the coverage per acre and on other unharvested acreage is 10 percent of the coverage per acre. Whenever the production appraised by the adjuster exceeds the minimum charge, the actual appraisal is, of course, used.

Determining Losses

The indemnity due a producer is the amount by which the total production on the insurance unit falls short of the insured coverage. Production on an insurance unit includes (1) flax harvested, (2) production charged against acreage released or left unharvested, and (3) any flax lost from causes not insured against.

Fixed Price

One fixed price will be used in the county each year to convert both premiums and indemnities to a dollar value. The fixed price will be the county support price or loan rate for the crop year, whichever is higher.

Continuous Contract

The contract on flax-yield insurance is a continuous contract with the producer having the privilege to cancel it prior to any December 31 before the next planting season.

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